




16711

JAN 5 1996

From: Commander, Eighth Coast Guard District
To: Distribution

Subj: PRODUCED WATER POLICY

1. The following enforcement guidance is provided in response to an issue raised by MSO Morgan City in enclosure (1).
2. Although produced water is not included in 46 CFR Table 30.25-1, NVIC 7-87 states that this product, unless otherwise identified, shall be considered a hazardous material and carried in one of the methods specified in the NVIC. Vessels carrying produced water in either integral or fixed independent tanks must be inspected and certificated.
3. Units are encouraged to give this policy widest dissemination.


J. M. CALHOUN
By direction

Encl: (1) MSO Morgan City ltr 16711/Produced Water, Serial
M-50267 of 13 November 1995

Dist: All Eighth District MSCs and MSU



NOV 13 12:11 PM '95

16711/PRODUCED WATER
Serial M-50267
November 13, 1995

From: Commanding Officer, Marine Safety Office Morgan City
To: Commander, Eighth Coast Guard District (m)

Subj: INSPECTION OF VESSELS CARRYING PRODUCED WATER

1. I request all MSOs in the District be provided direction on the need to certificate vessels carrying produced water in integral and fixed independent tanks. I recommend such vessels be certificated.

2. We recently investigated a casualty where a decked tank barge carrying produced water exploded, seriously injuring personnel who were conducting hotwork on deck. A few years ago in this zone, another barge carrying produced water exploded, killing one person. These casualties indicate operating personnel do not always recognize and compensate for the hazardous vapors that produced water generates.

3. The level of awareness and care would be improved if vessels carrying produced water were certificated. Simply requiring the use of certificated vessels would raise the level of concern in the industry. Warning signs required by 46 CFR Subchapter D would help. Less hotwork would be conducted on these vessels when they are not gas free. I recognize certification will not necessarily preclude all unsafe practices but it should help reduce a real hazard.

4. Produced water is obtained when water is separated from the mix of materials pumped from wells. Although it may be intended into wells later, it is often shipped in barges. As indicated in 46 CFR 26.07, the Coast Guard clearly considers it to be an oil field waste. The casualties noted above provide strong evidence that produced water generates combustible vapors.

5. Since produced water is not included in 46 CFR Table 26.05-1 it is not clear that its carriage in integral tanks requires certification. Produced water carried in portable tanks has been specifically excluded from being regulated as a hazardous material under 46 CFR 26.1. This further supports the belief by some people that produced water may be carried in the integral tanks of uninspected vessels.

6. Evidence from casualty investigations and Louisiana Department of Environmental Quality studies reveal that oil accumulates in barges carrying produced water. It comes out of solution and rises. Offloading produced water through low tank sections does not effectively remove the accumulations, which eventually coat internal surfaces of the tanks.

November 13, 1995

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7. We have been able to identify only two companies in the Morgan City zone which use uninspected barges to transport produced water, Brian's Well Service and Settoon. One is the owner of the barge which recently exploded. Neither owner will certificate their vessels unless we require vessels carrying produced water to be certificated. Much of the produced water transported in this zone is carried in certificated vessels.

8. The seven vessels operated by these two companies are quite susceptible to future casualties. The companies are small and use old single skin barges which have minimal market value. I expect the costs involved in getting a COFR, conducting drydock exams and preparing response plans would be large enough to put companies like these out of business.

9. Although I am confident these vessels should be certificated, I am concerned that without your direction similar vessels in other zones may be held to different expectations. In order to avoid putting substantial and unfair competitive burdens on owners in this zone, I prefer to delay certification requirements until you are able to ensure a consistent approach throughout the District. Informal contact with nearby MSOs indicates this issue has not been addressed elsewhere.



M. B. SLACK